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The International Week

As the Anglo-American financial conversations got underway in Washington, it was hoped that they would produce not only some short-term palliatives but also long-term plans for dealing with the global dollar problem. The OEEC, still saddled with the problem of aid allocations, has recessed until after the US-UK conversations indicate what future US plans will be. Meanwhile, the European Consultative Assembly called for the formation of a European economic union.

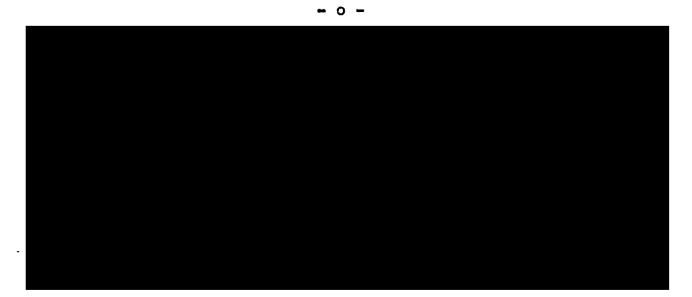
New emphasis in ERP. Two recent ECA decisions -- that the OEEC cannot divide up the proposed \$150 million ERP reserve fund for 1949/50 in order to achieve an agreed allocation of ERP aid and that the allocations for the second half of this year will be subject to ECA revision if the participants do not meet their recovery targets -- will have a healthy effect on the European Recovery Program. ECA's plan to hold up firm allocation of a substantial amount of 1949/50 ERP aid by these means will force the participating countries to make greater efforts both to achieve their own programs and to expand intra-European trade, if they are to receive their full share of ECA dollars. Although the OEEC countries are already chafing at the further 4% cut in even their reduced allocation (necessitated by ECA's withholding of the reserve fund), they will have little alternative but to accept it. Moreover, the planned review of the second six-month allocations will require countries which, like Italy, have been slow to implement essential planned investment programs, to step up their recovery efforts.

The OEEC's recent blunt statement that ERP progress is not up to expectations reflects the by now widespread European realization that further drastic measures will be required in the near future if ERP is to succeed. It is now clear to them that US aid will decline sharply until 1952, if not cut off before then, and that they thus cannot expect a continued high level of US aid. As a result it is likely that the present critical stage of the ERP will lead to unprecedented European efforts toward strengthening the OEEC, liberalization of trade, expansion of dollar exports and closer economic cooperation. The European Consultative Assembly's bold proposals for economic union are straws in the wind.

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Arabs may launch broadside against US and UN in GA Palestine debate. There are gathering signs that the Arab states belive the Palestine Economic Survey Mission to be merely a device to fob them off and that they are secretly concerting plans to attack the role of both the US and the UN in the forthcoming General Assembly. It is clear that the Arab states believe the ESM is intended to soft-pedal the political aspects of Palestine in the GA and gain time for the Israelis. They hold the US responsible for this and will almost certainly use the GA to impeach the record of both the US and the UN in the entire Palestine case.



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Independence sentiment in Eritrea and Somaliland. Intensification of the independence movement in Eritrea and Somaliland bids fair to complicate the disposition of these former Italian colonies by the coming GA. The rapid growth of the Independence Bloc in Eritrea, where last year the Coptic Union with Ethiopia Party was the largest single group, has been the most striking. Although the Bloc, largely Moslem, is loosely organized and politically immature, it now apparently represents at least two-thirds of the population. Italy, which hopes to recapture a favored position in an independent Eritrea, is encouraging if not actively supporting the movement. Its announced intention of sending a delegation to the UN will be embarrassing to the US and UK, which are committed to Eritrea's cession (except for the western province) to Ethiopia.

In Somaliland the only major political group, the Somali Youth League, has come out strongly for independence or, if this is not feasible, a direct UN trusteeship. They bitterly oppose Italian return and would probably resort to some violence if it should occur.

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ICJ and Southwest Africa. French refusal to support a US suggestion that the GA refer the legal problems involved in the Southwest Africa case to the International Court of Justice for an advisory opinion brings into sharp focus the problem of using the Court for settling such disputes. Prima facie, the ICJ is the correct body to decide the purely legal question of the duties of South Africa under a former League of Nations mandate; the GA, on the other hand, is supposed to handle political and not legal controversies, although this very controversy has been the subject of more than one GA resolution condemning South Africa's conduct. The idea of the ICJ approach is novel and, in spite of cynical French suggestions that an ICJ decision would be futile, it would have some effect. South Africa, as well as other colonial powers, would find it highly embarrassing to flaunt the ruling of an international tribunal to which they adhere, because of their past records as protagonists of the ICJ and of the principle of the judicial settlement of international disputes in general.

Accordingly, the colonial powers will strive to prevent the matter from arising before the GA at all. If it does arise, there is a further question as to whether a two-thirds vote, or a mere majority, is necessary to refer the matter to the Court. The Slav bloc, eager to embarrass the colonial powers, the anti-colonial bloc of Arab states; IA countries; and former dependencies, such as India, Pakistan and the Philippines, would be inclined to favor invoking the ICJ. It might be possible for South Africa, with the aid of some abstentions, to block a two-thirds vote; but it would be very difficult for it to muster a majority.

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Arbitration of Kashmir dispute under consideration by GOI and GOP. Following appeals by President Truman and Prime Minister Atlee for acceptance of the UN Commission for India and Pakistan's proposal for arbitration, it seems likely that Pakistan will accept without qualification, while India will ask for a clarification of the issues to be arbitrated before giving a formal acceptance. This is the first time the UN has resorted to arbitration and GOI is reluctant to give over to an outsider determination of issues it considers so vital without careful examination of the entire proposal. UNCIP faces a difficult task in striking a balance between giving explanations to Nehru's questions and at the same time avoiding protracted discussions and legalisms to which GOI has been partial in the past. The messages from Attlee and Truman assured consideration of the proposal with searching care and it is believed that GOI's reply to the appeals and to UNCIP will not reject the proposal for arbitration but will ask for a clarification of the points of issue to be submitted and assurances that the arbitrator will be required to hear the fullest presentation of the case.

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It is unfortunate that at a time when the greatest tact possible should have been employed by UNCIP, Chyle, the Czech representative on UNCIP, was chairman and in this capacity delivered the proposals to GOI and GOP. There are indications that, in line with previous attempts to procrastinate and obstruct, Chyle failed to follow instructions and made the presentation to Nehru on a too blunt "take it or leave it" basis and threw doubt into the minds of GOP by indicating that the proposal was only an "informal" approach.

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G/IO Notes

Top-drawer Yugoslav GA delegation expected. Belgrade's decision to send an exceptionally high-raking delegation to Lake Success, led by Foreign Minister Kardelj and propaganda chief Djilas, reflects the tension between Tito and the Kremlin. The mere presence at the GA of such a corps of Yugoslav diplomats will make it plain to the USSR that Belgrade is prepared at a moment's notice to take any action in the UN which future Soviet conduct may necessitate.

Pakistan opposes India for SC. Pakistan is deeply disturbed at the prospect of India's election to the Security Council and has made this clear to both the US and the UK. Pakistan argues that election of India to an SC seat would place the stamp of approval on the latter's conduct in the Kashmir case. Basically, Palistan is sensitive to the fact that India, because of its greater size and population, is assuming a new importance in world affairs. Karachi is fearful lest it receive less consideration from the West than India and that this may affect the ultimate disposition of the Kashmir case.

Proposal to replace UNSCOB. Preliminary reactions to the US suggestion that the UN Sepcial Committee on the Balkans be replaced by three separate commissions indicate that this plan would muster considerable GA support. Three features of the proposal will recommend it to GA delegations: (1) revision of the machinery dealing with the Greek guerrilla problem would revitalize UN efforts for a settlement; (2) creation of smaller bodies would permit a more practical and limited approach; and (3) ability to deal with Albania, Bulgaria and Yugoslavia independently would permit takking advantage of their divergent positions in relation to Greece.

Anti-Communist Dockers and Seafarers to resist WFTU. At their recent conference in Rotterdam, the dockers and seafarers of the powerful and long-established International Transport Workers Federation (ITF) took action to block membership raids by the new dockers' and seamen's department of the Communist-dominated WFTU. The ITF dockers resolved that membership in the WFTU affiliate was incompatible with ITF membership. They requested the ITF executive to formulate amendments to their constitution to facilitate suspension of any constituent unions acting against the ITF. The persistent refual of the ITF, by far the most powerful labor factor in the world's leading merchant marines, to adhere to the WFTU was a major factor in the split-up of the latter. The Rotterdam decision means that powerful opposition will be interposed to any attempted extension of the WFTU's new dockers and seamen's international.